

Summary Notes

Pierce County

Transportation Advisory Commission (TAC)

Thursday, August 23, 2018

9:00 a.m. to 11:00 a.m.

Call to Order: 9:00 a.m.

Roll Call: 9:01 a.m.

Voting Members Present: Deryl McCarty, Scott Jones, Liz Kaster for Bob Myrick, Jeremiah LaFranca, Jason Kennedy, and Brian Devereux

Absent: Paul Lubbesmeyer, Don Swenson, Tom Pierson

Non-Voting Members Present: Dennis Hanberg, Hugh Taylor, Kevin Clegg for Rob Allen

Absent: Toby Rickman

Staff: Rory Grindley, Jesse Hamashima, Neil Quisenberry, Jie Chen, Gary Hendricks, Linda Lyman

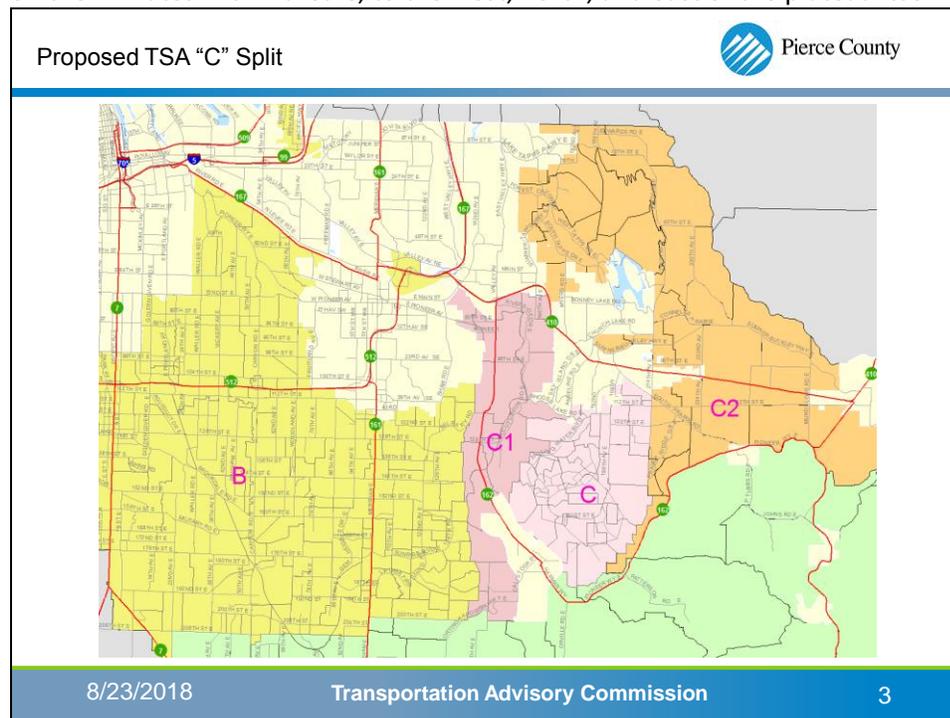
Absent: Jinelle Casten

Guest(s): Amy Cruver, PC County Council Assistant

Approval of Meeting Notes: Liz Kaster, Jason Kennedy, 2nd

Traffic Impact Fee Presentation – Rory Grindley

Discussion: Rory Grindley began the meeting by acknowledging that the Transportation Advisory Commission has approved a TIF proposal to be offered for further consideration by the County. He also acknowledged the Planning Commission's recommendation to the County Council that they review how the rates in Transportation Service Area C be reduced. The Planning Commission focused their concerns on the TIF rates within area C, to the west, north, and east of the plateau itself.



Rory suggested that one means by which to address the higher TIF rates immediately off the Plateau, is to separate the areas immediately outside of the plateau from the highest concentration of new development within the central portion. Rory provided a concept of how TSA could be subdivided into three areas (see the above graphic entitled "Proposed TSA "C" Split". In this scenario, TSA could be divided into three parts: Area 5 would be west of the plateau with parts within the rural area of the County, C would focus on the plateau, and Area 6 is that portion north and east of the plateau. He noted that among the options in adjusting the TSA boundaries and costs would be merge the TIF rates of C1 with TSA B, and merge the TIF rates of C2 with D. These actions would lower the TIF rates of C1 and C2. Another net effect of splitting TSA C would be to raise the TSA rates of the Plateau development area. While the "current" TAC recommendation is about \$9700 per single family residential (SFR) unit, it is estimated that the splitting of area C would result in approximately a \$13,000 SFR TIF fee.

Discussion on the Above "Splitting of TSA C"

- Deryl expressed some concern of the impact of merging TSA C1 to TSA B and that it may raise TSA B's rates to a high degree. Rory indicated that the rates in B would change by only a few dollars. This information would be calculated if council shows interest in pursuing this particular scenario of splitting out TSA C.
- Scott Jones noted that the Plateau 465 development may be proposed for between 2,000 to 3,000 residential units. Rory added that the TIF analysis has not assumed the latter development's traffic at that level as they have not yet an approved project and has not been through the SEPA project. Hugh confirms that 465 has not yet applied for a Master Plan Development community and that this development could ask for 3,000 units with added commercial. Scott said in his perspective that based on the land and market that there will likely be closer to 2,000 versus 3,000 units.
- Rory emphasizes that the proposal to split off TSA C was in response to the Planning Commission's concern of the higher TIF Rates within TSA C but off the Plateau.
- Scott Jones said that many people do not recognize that much of the traffic generated on the Plateau will be from employment and that the people in the adjacent TSA's will benefit from being in close proximity to jobs. He indicated that he is "completely opposed" to the splitting of TSA C as depicted.
- Noted that most of area C1 is in rural area. Rory summarizes the rationale of merging the TSA C1 and TSA C2 to other adjacent TSA's. Discussed natural boundaries such as the hillside as being a consideration for defining the TSA's.
- Hugh Taylor observes that in looking at the table entitled "Combined Cost Distribution Based on Roadway and Intersection Usage" that C1 seems to contribute a relatively small amount of funding toward other TSA's. Gary confirms this in that the "allocation" of future growth was only less than 500 households. C2 may have about 1000 units.
- Jeremiah LaFranca expressed concerns in creating TSA C1, however, he said that splitting off TSA C2 could address some of the concerns regarding the TIF rate structure. Deryl McCarty observed that "everybody pays a little bit" for TSA improvements as it is a "work zone".
- Rory emphasized that staff developed the scenarios splitting TSA C to understand the potential impacts on fees.
- Liz expressed uncertainty and concern of lowering rates in areas where the County may not want to encourage growth.

Real Estate Excise Tax

In response to the Planning Commission's comment on the role of the Real Estate Excise Tax with regard to the TIF. Rory reviewed a number of charts showed a graphic of historic REET-2 collections between 2002 and 2017 toward the Roads revenue portion. He also pointed to a graphic that overlaid the same REET collection graphic noted above with the yearly TIF revenues received between 2007 (the inception of the program) to 2017. Scott Jones noted that the graphic showing the yearly TIF collections does not reflect in-kind contributions or constructed projects. Rory acknowledged that the graphic did not include the contributions and noted that the County has not yet developed an accurate accounting method to track in-kind contributions but acknowledged that these financial components are important to the TIF Program. He estimated that there may have been approximately \$50M collected in in-kind contributions since the inception of TIF. Scott suggested that there may be value in showing the in-kind contributions on the graphic. County staff agreed with Scott's perspective and noted that as part of the updating the TIF, the County will be developing a method to better monitor the program in terms of how it accounts for collections and be able to better monitor in-kind contribution such as right of way dedications and improvements offered by the developer.

TIF as a Proportion of Home Costs- 2007 Versus 2018

Also for the TAC's information, Rory reviewed a table entitled, "TIF% as of New SF Unit Price". This table showed the TSA's with current and "TAC Proposed" TIF rates, average values of new single family homes in 2005 and 2007, and the percentage of TIF costs to the average value of the new homes for the two time periods. This table indicated that in three of the four TSA areas, that the TIF is a smaller percentage of home value for 2018 versus 2007. It is noted that the ratio of TIF fee to home value rises in TSA C. This is a reflection of the high transportation project costs and consequent TIF fees.

Rory observed that the County will likely lose (not receive) between \$10M and \$15M with a two-year delay of implementing the TAC TIF proposal.

Draft Letter from TAC to Council and the County Executive

Chairman McCarty asked for any comments on the letter that he had drafted presenting the TIF ordinance to the Council and the County Executive. Liz Kaster asked if the letter should support the attainment of low income housing. Hugh noted that the TAC proposal has an exemption for low income housing. He provided the definition of low income housing as expressed in the context of the median income (which is in the existing Title 4A). Dennis noted that the County staff is working on a proposal to offer legislation that may offer "attainable housing". He supported additional language be added to the letter that would raise the issue of affordable housing.

Liz expressed concern that the TAC letter should emphasize that while the Planning Commission had expressed concern about certain facets of the TAC TIF proposal, that the TAC has worked on the TIF issue for two years and "strongly supports its recommendations".

Deryl noted that his letter emphasized:

- The TAC has worked on the TIF for two years
- The manufacturing center exemptions are an important component of the TAC proposal
- That the TAC is completing the TIF as a task. The TAC agreed that this group does not disband but that it will go on to the next task(s). General agreement that the TAC will go on to other transportation financing, planning, and project related tasks beyond the TIF.

Closure

Hugh asked on behalf of the County Council that as this proposal goes through the legislative process, that the TAC members come to the Council meetings on this topic to speak for their recommendations.

Public Comment:

Jason Kennedy: Pierce Transit has rides to the State Fair from Tacoma Mall, Lakewood Mall and South Hill Mall.

Liz Kaster: September 9 is the Downtown to Defiance Walk/Bike event.

Next meeting: September 27, 2018. Discussion led by Dennis Hanberg regarding Active Transportation/Nonmotorized Planning

Adjourned: 10:25 a.m. – Motion by Jeremiah LaFranca, 2nd Scott Jones